

July 18, 2013

Via Email

To All Interested Parties

Re: Cause No. GV-204523; *Texas v. AmCare Health Plans of Texas, Inc. and AmCare Management, Inc.*; In the 200th Judicial District Court of Travis County, Texas.

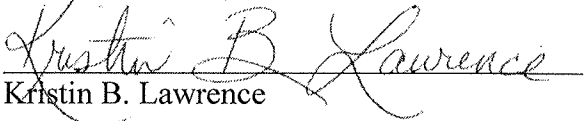
Subject: *Special Master Status Conference Letter Update*

Dear Sir/Madame:

Attached please find the SDR's status report for the July 22, 2013 Special Master Status Conference.

Please do not hesitate to call our office if you have any questions.

Sincerely,
Wisener Nunnally Gold, L.L.P


Kristin B. Lawrence

cc: Mr. Thomas S. Lucksinger, President, AmCareco, Inc.
Lee Spangler, Assistant General Counsel, Texas Medical Association
Mr. Charles Bailey, General Counsel, Texas Hospital Association
Pat Harris, Harris County Medical Society
Mr. Mike Johnston, Atty for St. Luke's Episcopal
Ms. Sue Buser, Attorney for Louisiana Receiver
Mr. Billy Bostick, Oklahoma Deputy Assistant Receiver
Mr. David W. Hobson, M.D.
Mr. Aquileo N. Hernandez, M.D.
Mr. Thomas L. Weinberg, Asst. General Counsel, DaVita, Inc.
Mr. Cosme E. Ramirez
Ms. Carleen M. Simon-Yates, RPH
Mr. Samuel Owolabi
Dr. Clay Heighten, VP Managed Care
Mr. Jonathan F. Buck Catholic Healthcare West
Ms. Traci L. Cotton, Atty for The University of Texas System
Mr. Kenneth N. Russak, Frandzel Robins Bloom & Csato, L.C.
Mr. Doug Dodds, McGinnis, Lochridge, & Kilgore L.L.P.

THE STATE OF TEXAS

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IN THE DISTRICT COURT OF

v.

TRAVIS COUNTY, TEXAS

AMCARE HEALTH PLANS OF TEXAS,
INC. and AMCARE MANAGEMENT, INC.

200th JUDICIAL DISTRICT

**THE SPECIAL DEPUTY RECEIVER'S STATUS REPORT
IN LIEU OF THE JULY 22, 2013 SPECIAL MASTER'S STATUS CONFERENCE**

TO THE HONORABLE JUDGE OF THIS COURT:

COMES NOW, Jean Johnson, Special Deputy Receiver under contract to the Permanent Receiver of AmCare Health Plans of Texas, Inc. and AmCare Management, Inc., pursuant to TEX. INS. CODE ANN. §§ 443.015(g) and 443.016(a), and presents to this Court *The Special Deputy Receiver's Status Report in lieu of the July 22, 2013 Special Master's Status Conference*, for each entity in the above-referenced receivership estate.

Respectfully submitted,
Wisener Nunnally Gold, L.L.P

By: _____



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Receiver of AmCare Health Plans of Texas, Inc. and
AmCare Management, Inc.*

**Status Report for Special Master
Amcare Health Plans of Texas, Inc.
Amcare Management, Inc.
R 512**

July 2013

Background

Date of Temporary Injunction:	12/16/2002
Date of Permanent Injunction:	01/13/2003
Date of appointment of SDR / Name:	12/23/2003-Jean Johnson
Claims Filing Deadline:	10/1/2003
States where licensed:	Texas
Lines of Business:	HMO
Texas Guaranty Association name & Trigger Date:	N/A
Date and Amount of last early access:	N/A

Statements of Assets and Liabilities

As of 6/30/2013

\$ 51,902,507	HMO Total Assets
\$ 112,489	Management Total Assets
\$ 51,794,819	HMO Cash Assets
\$ 43,548	Management Cash Assets
\$ 107,688	HMO-Non Cash Assets
\$ 68,941	Management Non cash Asset (under review)
\$ 49,941,559	HMO Total Liabilities
\$ 40,807,251	Management Total Liabilities
\$ 1,906,948	HMO Equity
\$ (40,694,762)	Management Negative equity

General & Administrative Issues

HMO

Brief History:

The AmCare receivership is comprised of two companies, AmCare Health Plans of Texas and AmCare Management. Adjudication of claims is complete, and Class 2 liabilities are being funded.

Staff continues updating databases with more current information as it is received. Distribution to Class 2 "individuals" has been completed, and distributions to Class 2 "providers" continue as Provider Distribution Confirmation forms (Exhibit D) are received. Staff is contacting Providers that have not returned Exhibit D forms.

Goals or planned activities:

Continue the distribution of funds to Class 2 claimants.

Pursue Provider Distribution Confirmation forms (Exhibit D) from Providers that have not returned the forms.

Begin review of interest payments approved by the Court.

AmCare Management was the TPA managing the three HMOs. Liquidation activities of AmCare Management parallel those of AmCare Health Plans of Texas.

Tax Issues

Tax returns for the years 2010, 2011, and 2012 were filed. A request for a shortened statute of limitations for review of the 2010, 2011, and 2012 tax returns from three years to 18 months was made to the IRS by Tom Petrosewicz. IRS has acknowledged receipt of the request.

Litigation

All litigation matters have been resolved.

Claims Activity

HMO-

All POCs and Notices were sent out in 2003

POC notices mailed: 223,111

POCs filed before filing deadline: 24,819

POCs filed after filing deadline: 856

All claims have been received and adjudicated, and an interim distribution was made in 2006.

Interim Claims Distribution to date for 2011/2012/2013: Class 2 claims:
\$ 55,147,199.

Class 10 Claims have been set at \$48,540,574 for AmCare Health Plans of Texas in Receivership.

Management Company-

General Creditor Claims along with the Oklahoma and Louisiana POCs were filed with AmCare Management.

Projected Closing Date

HMO and Management Company-

The Closing of AmCare is moved to December 31, 2014, to allow time for a tax audit during an 18 months period from 2012 tax return filing.